

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Handloom Industry - Margin Money assistance under National Co-operative Development Corporation scheme – Sanction and release of an amount of Rs.167.40 lakhs i.e., Rs.130.20 lakhs as loan and Rs.37.20 lakhs as subsidy towards Margin Money assistance to Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO) – Orders - Issued.

INDUSTRIES AND COMMERCE (TEX) DEPARTMENT

G.O.Rt.No. 28

Dated 15 -1-2009.
Read the following:-

1. From the Vice-Chairman and Managing Director, APCO, Hyderabad Lr.Ref. No. Accts./ Margin Money Loan/CO/07, dt. 4-12-2007.
 2. Government Lr.No.18709/Tex.2/2007-1, dated 25-1-2008
 3. From the Director (T-Textiles), NCDC:4-2/2008-Text(HLM)(311)(RO70574), dt. 31.3.2008.
 4. From the Asst. Director (Loans) Lr.No. NCDC: A & C /1(Rel)/AP /2006-07, dated 31-3-2008.
 5. From the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad, Lr.Rc.No.16588/2007-A, dt.13.5.2008.
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O R D E R:-

In the reference 1st read above, the Vice-Chairman and Managing Director, Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), Hyderabad has requested the Government for extending the Government Guarantee to National Co-operative Development Corporation for sanction of Margin Money assistance. Government after careful consideration, has forwarded the loan application of the Vice-Chairman and Managing Director, APCO Hyderabad and has recommended to the National Co-operative Development Corporation, New Delhi for consideration and sanction of Margin Money loan of Rs.50.00 crores to meet the working capital requirements, Rs.12.64 crores towards construction / renovation of APCO offices and showrooms / godowns and Rs.3.07 crores towards Modernization and computerization of APCO showrooms during the current financial year 2007-08 to the APCO.

2. In the reference 3rd read above, the Director (T-Textile), has conveyed the approval of the Corporation for payment of Rs.167.40 lakhs (i.e., Rs.130.20 lakhs as loan and Rs.37.20 lakhs as subsidy) towards (i) renovation of showrooms and godowns and (ii) computer based MIS to the APCO. The assistance shall be passed to the society within a month from the date of receipt of assistance from the Corporation.

3. The assistance of Rs.167.40 lakhs sanctioned is subject to the following conditions:-

- (i) shall furnish to the Corporation such returns, statements of accounts and other information, as may be prescribed or called for by the Corporation from time to time;
- (ii) shall allow and afford facilities to the officers of the Corporation or any other person or persons nominated by it in this behalf to verify and inspect its books of accounts and other records; and
- (iii) shall make arrangements to the satisfaction of the Corporation for the appointment of suitable administrative and technical/ senior personnel for the business of the society.

(PTO)

4. The Corporation reserves the right to foreclose and recover the loan assistance from the State Government if:-

- (i) It is not utilized for the purpose for which it has been sanctioned;
- (ii) the society fails to furnish the returns, statement of accounts and other information as may be prescribed or called for by the Corporation from time to time; and
- (iii) if any of the other conditions are not fulfilled.

5. The period of loan will be the same as prevailing at the time of first release. At present the period is 8 years (including moratorium for term loan) there will be a moratorium for a period of one year in repayment of term loan from the date of release of first installment. There will be no moratorium in payment of interest on loan.

6. The loan shall carry rate of interest prevailing at the time of actual release of funds which will be a floating rate linked with State Bank Advance Rate. Existing effective rate of interest is 9.75% p.a.(linked with present State Bank Advance Rate of 12.25%). Effective rate of interest shall be applicable in case payment of instalment is made on or before due date. In case payment of instalment is not made on or before due date, normal rate of interest, which is 1% higher than the effective rate shall be applicable. Further, in case of default in payment of instalment, penal interest @ 2.5% over and above the normal rate of interest shall be charged on the defaulted instalment for the period of delay. The other terms and conditions of the Corporation shall be according to NCDC letter No. NCDC:1-1/84-Budt. dated 15.10.1984 and No. NCDC:1-1/1990-Budt. dated 27.02.2008 and as amended from time to time. The sanction is valid upto 31-3-2010.

7. In the reference 4th read above, the NCDC has issued a cheque bearing No.089731, dated 31.3.2008 for an amount of Rs.167.40 lakhs drawn on Punjab National Bank, Nehru Place, New Delhi in favour of Secretary, Industries and Commerce Department, towards release of loan / subsidy and the same was deposited in State Bank of Hyderabad Gunfoundry, Hyderabad on 19.4.2008 vide challan No.13338 to the following Head of Account :

Major Head – 6003 - Internal Debit of State Government

Minor Head – 108 – Loans from the NCDC

Sub – Head –08 – for other Corporations.

8. In the reference 5th read above, the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad, has requested the Government for sanction and release an amount of Rs. 167.40 lakhs comprising Rs. 93.00 lakhs as loan (50%) , Rs.37.20 lakhs as share capital contribution by the State Government (20%), and Rs.37.20 lakhs as subsidy (20%) as per the pattern of assistance indicated by the NCDC in the letter, dated 27-2-2008.

9. After careful examination, Government hereby accord sanction and release an amount of Rs.167.40 lakhs (Rupees one crore sixty seven lakhs and forty thousand only) comprising Rs.130.20 lakhs as loan and Rs.37.20 lakhs as subsidy towards (i) renovation of showrooms and godowns and (ii) computer based MIS to the APCO which was released by the NCDC, New Delhi, subject to condition that the APCO shall pay Guarantee Commission @ 2%. The APCO shall pay repayment of loan and any default will be viewed seriously.

10. The expenditure sanctioned above shall be subject to the conditions stipulated by the National Co-operative Development Corporation , New Delhi as mentioned above.

11. The expenditure of loan amount of Rs.130.20 lakhs shall be debited to the following Head of Account:-

M.H.6851 - Loans for Village and Small Industries.
103 - Handloom Industries
G.H. 10 - Centrally Sponsored Scheme
SH (19) - Loan assistance for APCO towards Margin Money assistance Under NCDC
001 - Loans for Margin Money assistance for APCO.

12. The expenditure of subsidy amount of Rs.37.20 lakhs shall be debited to the following Head of Account:-

2851-Village & Small Industries.
103 - Handloom Industries
SH (55) - Margin Money assistance to APCO under NCDC Scheme
310 - Grants-in-aid
312 - Other Grants-in-aid.

and shall be incurred in relaxation of treasury control and quarterly regulation orders pending provision of funds in supplementary estimates at appropriate time in current financial year 2008-09.

13. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad shall see that the 2% Guarantee Commission may be deducted from subsidy amount and should be credited to M.H. 0075 - Miscellaneous General Services - 108 - Guarantee fees - SH (01) - Commission for Guarantee given by Government before releasing the subsidy amount.

14. The Deputy Secretary to Government, Finance (DMC) Department is authorized to draw the amount of Rs.130.20 lakhs sanctioned above by way of cheque in favour of Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad who will disburse the same to the APCO by way of cheque under the scheme and as and when necessity arises for the purpose for which the amount is sanctioned to APCO. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad shall furnish the Utilization Certificates within one month from the date of drawal of the amount to the Office of the Managing Director, National Co-operative Development Corporation, (T-Textile), New Delhi.

15. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad / concerned drawing and disbursing officer is authorized to draw the subsidy amount of Rs. 37.20 lakhs sanctioned above, and disburse the same to the APCO by way of cheque under the scheme and as and when necessity arises for the purpose for which the amount is sanctioned to APCO. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad shall furnish the Utilization Certificates within one month from the date of drawal of the amount to the Office of the Managing Director, National Co-operative Development Corporation, (T-Textile), New Delhi.

16. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad is requested to collect the loan instalment amount sanctioned to APCO as per schedule furnished by the National Co-operative Development Corporation from APCO and also to deduct any payment to be made to APCO in different schemes etc. and remit the same to Government Account every year strictly without fail. The amount sanctioned above is repayable in 5 equal annual instalments with interest. He is also requested to send supplementary estimates for the amount sanctioned, at appropriate time during current financial year 2008-09.

17. The Vice-Chairman and Managing Director, Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), Hyderabad is requested to furnish the copies of return statement of accounts sent to National Co-operative Development Corporation (NCDC) and also to the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad for monitoring the utilization of funds and for watching recovery schedules, since National Co-operative Development Corporation has sanctioned and released the loan to Government of Andhra Pradesh as advance towards Margin Money assistance to APCO, and NCDC loan is being serviced by State Government.

18. This order issues with the concurrence of Finance (Exp.I&C) Department, vide their U.O.No.35530/ 660-A /Expr.I&C/08, dated 5-1-2009 and vide Budget Release Order in G.O.Rt.No.37, Finance (Exp.I&C) Department, dt.5-1-2009.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Y.SRILAKSHMI,
SECRETARY TO GOVERNMENT.

To
The Director of Handlooms and Textiles and Development
Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad
The Vice-Chairman and Managing Director,
Andhra Pradesh State Handloom Weavers' Co-operative Society Ltd.,
(APCO), Hyderabad
The Accountant General A.P., Hyderabad.
The Pay and Accounts Officer, Hyderabad
The Director of Treasuries of Accounts, A.P., Hyderabad.
The Managing Director,
National Co-operative Development Corporation (NCDC),
4, Siri Institutional Area, Hauz Khas, New Delhi.
The Deputy Secretary to Government,
Finance (DMC) Department
The Chairman, APCO, Hyderabad
Copy to:
The Chief Director,
National Co-operative Development Corporation,
2nd Floor, HACA Bhavan, Opp. Public Gardens, Hyderabad.
The Finance (Exp.I&C)/ (BG) Department
The Additional .Secretary to Chief Minister.
The P.S. to Minister for Handlooms and Textiles.
The P.S to Minister for Finance.
The P.S. to Secretary to Government,
Industries and Commerce Department.
Industries and Commerce (L&B) Department.
Stock File/Spare Copies.

// FORWARDED BY: ORDER//

SECTION OFFICER.